



# ***Army Budget Update DPW Worldwide***



***Presented by:***

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***Deputy Assistant Secretary of the Army***



# ***Agenda***

- FY 02 Execution
- FY 03 Congressional Marks
- FY 02-04 Total Obligation Authority
- FY 03-04 Operation & Maintenance
- FY 03-04 Installation and Infrastructure
- FY 03 GWOT Concerns
- Summary



# ***FY 02 Execution***

	<b><u>FY02</u></b> <b><u>Start</u></b>	<b><u>DERF</u></b> <b><u>Supp</u></b>	<b><u>Additional</u></b> <b><u>Supp</u></b>	<b><u>Omnibus</u></b> <b><u>Reprog</u></b>	<b><u>FY02</u></b> <b><u>End</u></b>
<b>MILPERS</b>	<b>\$30.5</b>	<b>\$0.3</b>	<b>\$1.6</b>	<b>\$0.2</b>	<b>\$32.6</b>
<b>O&amp;M</b>	<b>27.9</b>	<b>2.1</b>	<b>2.3</b>		<b>32.3</b>
<b>RDA</b>	<b>18.0</b>	<b>0.1</b>	<b>0.2</b>	<b>-0.2</b>	<b>18.1</b>
<b>MILCON / AFH</b>	<b>3.8</b>				<b>3.8</b>
<b>Other</b>	<b><u>1.6</u></b>		<b><u>0.1</u></b>		<b><u>1.7</u></b>
<b>TOTAL</b>	<b>\$81.8</b>	<b>\$2.5</b>	<b>\$4.2</b>		<b>\$88.5</b>

- ***DERF MILPERS = MPA only; excludes National Guard pay for FP missions and Airport Security (included in O&M)***
- ***Additional FY02 Supp does not reflect potential Army reductions associated with rescinded funds***



# ***FY 03 Congressional Marks***

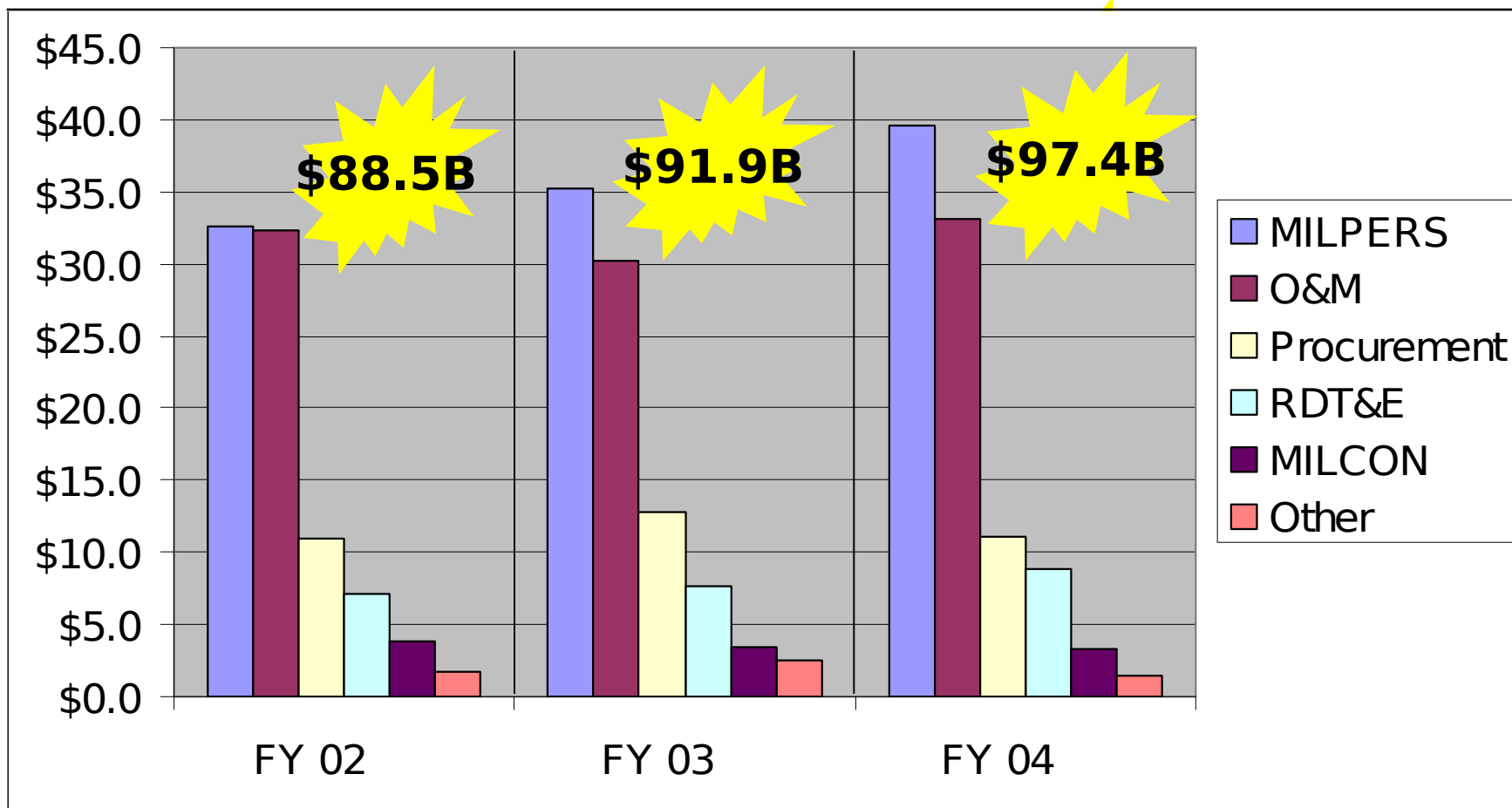
	<b>Anticipated FY02 End</b>	<b>PB03 Request</b>	<b>House</b>	<b>Senate</b>	<b>Conf</b>	<b>Delta to PB Normalized for Transfers and General Reductions House/ Senate / Conf</b>
<b>Mil Per</b>	<b>32,600</b>	<b>35,620</b>	<b>35,275</b>	<b>35,470</b>	<b>35,344</b>	<b>-345/-150/-276</b>
<b>O&amp;M</b>	<b>32,300</b>	<b>30,641</b>	<b>30,152</b>	<b>30,278</b>	<b>30,224</b>	<b>-489/-363/-417</b>
<b>Procurement</b>	<b>11,000</b>	<b>12,279</b>	<b>12,800</b>	<b>13,174</b>	<b>12,818</b>	<b>+521/+895/+539</b>
<b>RDTE</b>	<b>7,100</b>	<b>6,918</b>	<b>7,443</b>	<b>7,410</b>	<b>7,670</b>	<b>' +525/+492/+752</b>
<b>MILCON</b>	<b>2,400</b>	<b>1,638</b>	<b>1,755</b>	<b>1,940</b>	<b>2,026</b>	<b>+117/+302/+388</b>
<b>AFH</b>	<b>1,400</b>	<b>1,405</b>	<b>1,397</b>	<b>1,397</b>	<b>1,381</b>	<b>-8/-8/-24</b>
<b>Other</b>	<b>1,700</b>	<b>2,476</b>	<b>2,476</b>	<b>2,496</b>	<b>2,478</b>	<b>'0/+20/+2</b>
<b>Total</b>	<b>88,500</b>	<b>90,977</b>	<b>91,298</b>	<b>92,165</b>	<b>91,941</b>	<b>+321/+1188/+964</b>

• Data above may be adjusted upon further review



# ***FY 02 - 04 TOA Comparisons***

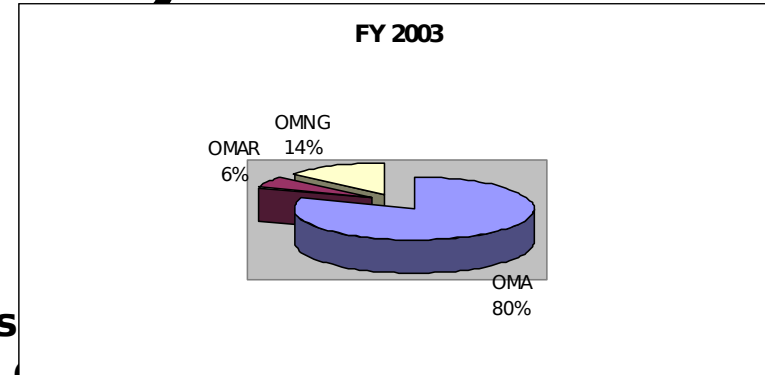
**\$B**





# ***Operation & Maintenance Summary***

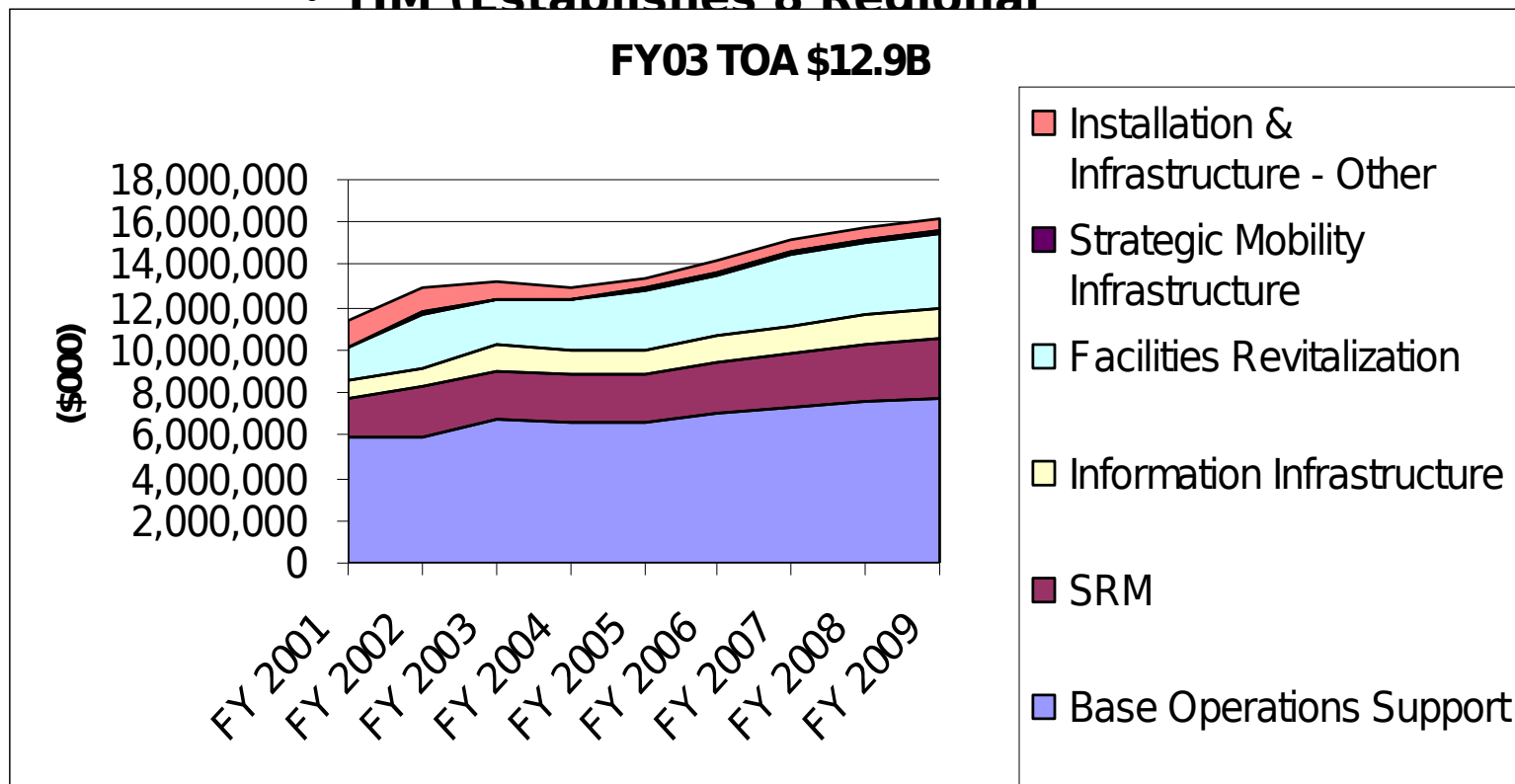
- **Readiness**
  - **Supports Ground and Air OPTEMPO**
  - **Funds Critical Training Enablers**
    - **Integrated Training Area Management**
    - **Home Station Battle Simulation Centers**
    - **Simulation, Training & Instrumentation Command**
  - **Supports ongoing Kosovo and Bosnia Operations**
  - **Supports Army Transformation**
- **Sustainment**
  - **Supports marginal growth in the Army's Depot Maintenance Program**
  - **Funds Depot Maintenance Recapitalization**
- **Installations and Infrastructure**
  - **Continues increased funding for BASOPS and SRM**
  - **Funds Antiterrorism/Force Protection(AT/FP) for Installation Closure**
  - **Implements Transformation Installation Management Initiative**





# ***Installation & Infrastructure***

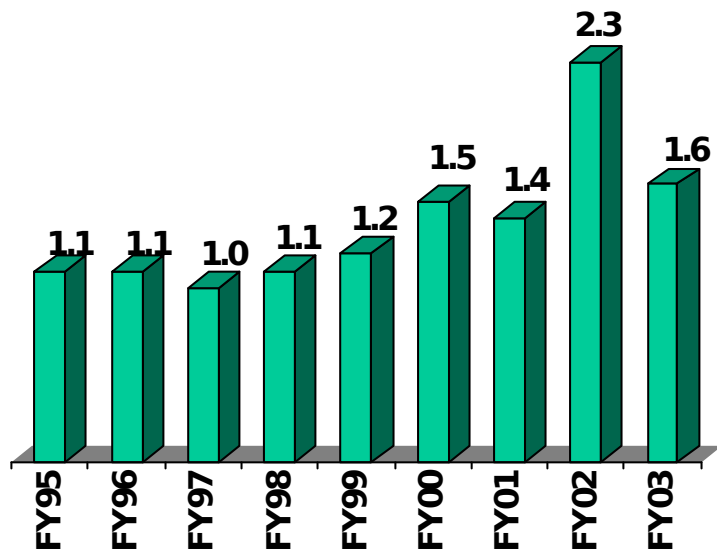
- **BASOPS/SRM - Above 82% Army Wide**
- **AT/FP (Adds \$190M)**
- **TIM (Establishes 8 Regional**





# ***Military Construction Summary***

- **Improves Facilities Across the Army**
  - **Continues Top Priority Whole Barracks Renewal**
  - **Constructs Facilities to Support Transformation**
  - **Supports Force Protection**
  - **Provides Reserve Component Centers, Maintenance Shops & Other Facilities**
  - **Begins an Efficient Basing Initiative in Germany**

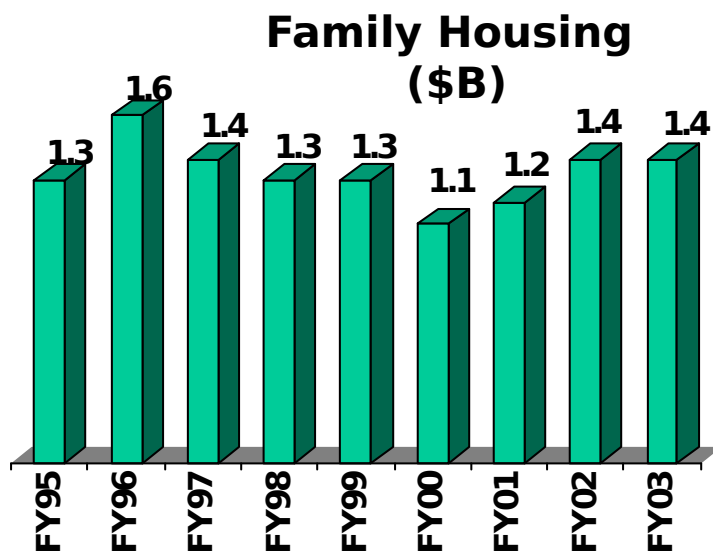






# ***Family Housing Summary***

- **Supports Quality of Life for Soldiers**
  - **Privatizes 17,000 Family Housing Units (MPA)**
  - **Revitalizes 913 Family Housing Units**
  - **Operates and Maintains 95,000 Units**
  - **Leases 15,000 Off Post Housing U**

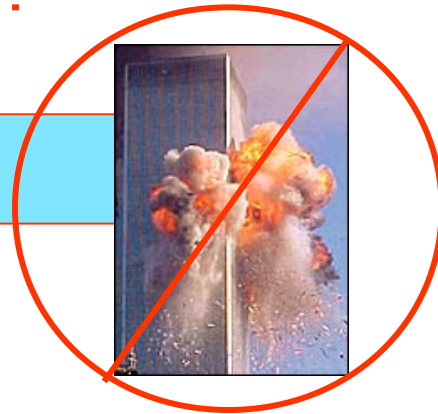




# ***Near Term Objectives***

**1. WTGWOT = Win The Global War On Terrorism**

**2. TTA = Transform The Army**



**"No More 9-11"**

**3. FTRTDB = Find The Resources To Do Both**



# Win The GWOT

## MILPERS (\$35.3B)

- AC 480K
- RC 555K
- Pay Raise - 4.1%
- BAH
  - On Post
  - Off Post
- DHP (+65)
- 26K RC Mob

## O & M (\$30.2B)

- 800 Tank Miles
- 14.0 Flying Hours
- BASOPS (Svc)(>86%Q1)
- SRM (>75%)
- 215K Civilians
- AT/FP (+ \$190M)
- Depot Maint (+9%)
- Kosovo/Bosnia Ops

## Procurement(\$12.8B)

- AT/FP
- Training Ammo @
- War Reserves-14 items
- Chemical Stockpile Disposal
- Army Battle Command Sys

## RDT&E (\$7.7B)

- Future Combat System
- Smart Munitions
- Comanche
- Tactical Unmanned Aerial Vehicles

**SUPP?**

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**SUPP?**

## Concerns:

- Cuts (\$276M)
- Cash Flowing
- Supplemental?
- Slower MOB ramp

## Concerns:

- Cuts (\$417M)
- Cash Flowing
- Deferred Bills
- Underfunded programs
- Another Supplemental?

## Concerns:

- No Transfer Account

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- No Transfer Account

+ \$3.4B for MILCON/AFH & 2.5B for Chem



# Transform The Army (TTA)

## People(\$43.9B)

- ✓ Man the Force
- ✓ Well Being
- ✓ Leader Development

## Readiness(\$26.9B)

- ✓ Unit Training
- ✓ Sustainment
- ✓ Installation & Infrastructure



## Transformation (\$18.2B)

- ✓ Interim(\$.9B)
  - 3<sup>rd</sup> Stryker BCT
    - 332 IAVs

- ✓ Legacy Force (\$13.5B)
  - Recapitalization
    - 17 Systems
  - Sustainment
  - Employ Digitization
  - Modernization of Existing Programs
    - Aviation (-25%)

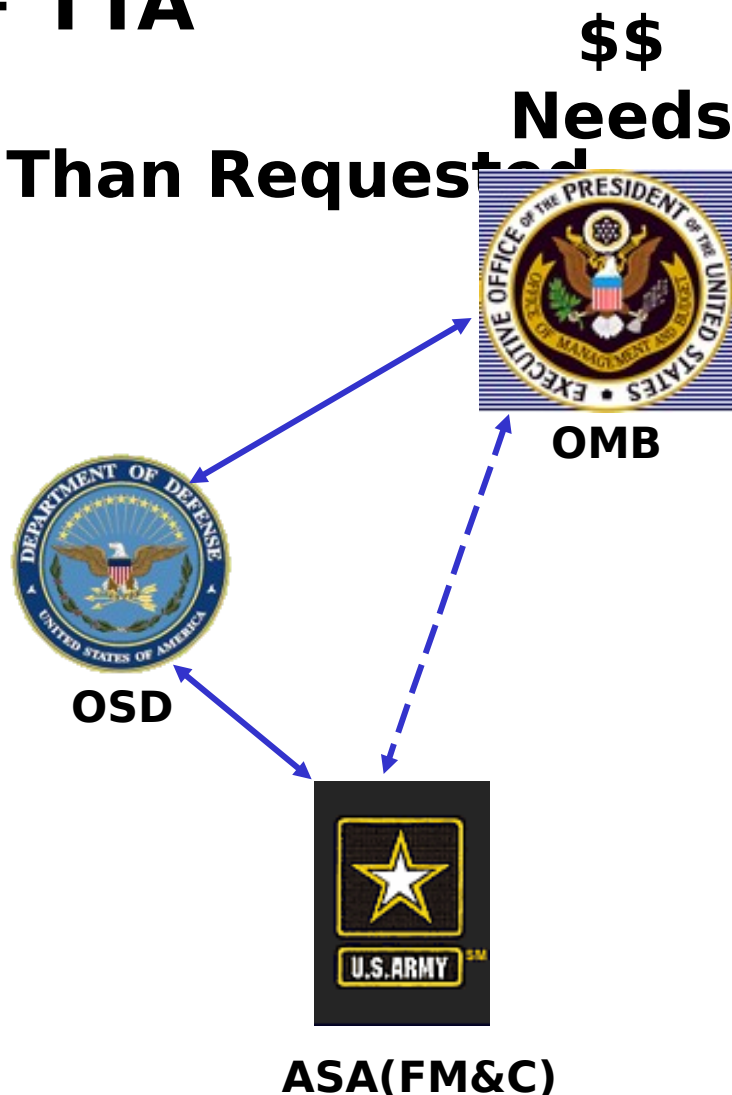
- ✓ Objective Force (\$3.7B)
  - Science & Technologies
    - FCS
    - Comanche
  - Modernization
  - Other

# ***FTRTD Both***

## **WTGWOT + TTA**

### **FY 02**

- ☐ **Late & Smaller Supp Than Requested**
- ☐ **Stole \$300M SRM**
- ☐ **Reprogramming**
- ☐ **Cancelled Programs**
- ☐ **Deferred Bills**



# GWOT Funding Challenges

## FY 03 (\$B)

### ❑ GWOT Bills Current Level of Ops\*

➤ \$2.5 MILPERS

➤ \$4.3 O&M

**\$6.5  
B+**



### ❑ GWOT Billpayers Current Ops, **No Supplemental**

➤ \$1.3 People Programs for MPA

➤ \$4.3 Readiness Programs for O&M

➤ \$1.2 Transformation Programs for

**\$6.5  
B+**

### ❑ GWOT Billpayers Current Ops, **\$2.5 Supplemental**

➤ \$2.5 Supplemental for MPA

➤ \$4.3 Readiness for O&M

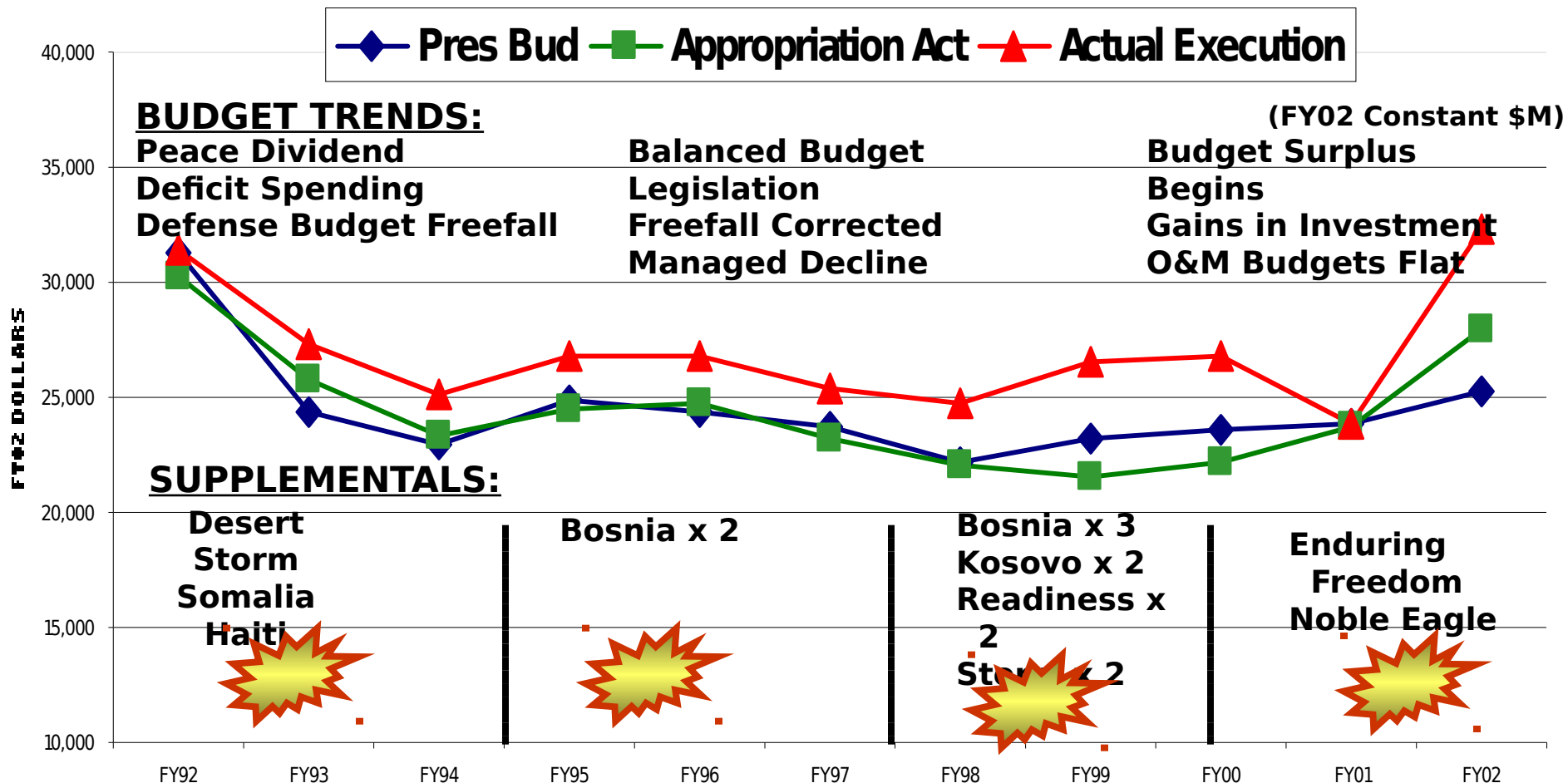
**\$6.5  
B+**

\* Major costs drivers: RC Mob (Cap = 34.0K), Increased Deployments, Detainee operations (GTMO), Investigative Task Force



# Why a Supplemental?

## Army O&M Trends (FY 92-02)





# ***Summary***

- ☐ **FY03 Budget is the largest since the Gulf War.... \$91.9B (Defense and MILCON)**
- ☐ **Meeting critical transformation requirements .....Objective Force 96%..... Interim Force 99%, but at risk if no supplemental**
- ☐ **Recapitalization and Modernization of our Legacy Force, only 17 systems funded at 100%, overall 61%**
- ☐ **RPM (SRM) funded at 75% and BASOPS funded at 86%, threatened by the Global War on Terrorism**
- ☐ **Meeting the highest beginning AC end strength in years - 485K soldiers... will have to work hard to support with funds we have**
- ☐ **Need \$1-2B more for ONE, \$2-5B more OEF, and 5 times that if we begin actions beyond the current ops**





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